



WC Docket 02-60

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Federal Communications Commission  
Office of the Secretary

William England  
Vice President, Rural Health Care Division  
Universal Services Administration Corporation  
2000 L Street N.W.  
Suite 200  
Washington, D.C. 20036

Re: **Rural Health Care Pilot Program**  
**WC Docket No. 20-60**

Dear Mr. England:

The purpose of this letter is to describe how the proposed merger of the two Texas RHCPP projects will result in the achievement of a higher level of outcomes than either project could accomplish on its own, for the benefit of all citizens of Texas and in furtherance of the goals of this program by improving access to health care services, medical education and enhance community health and disaster preparedness to rural Texas.

The State of Texas was fortunate in having two rural health care pilot programs (RHCPP) approved by the FCC: The Texas Health Information Network Collaborative (THINC) and Texas Healthcare Network (THN).

THINC was granted funds to establish a state wide private broadband health care network that would (1) bring medical services to rural and frontier communities that are underserved and in need of health care services; (2) build a statewide network to include 200 separate health care facilities across the state; (3) further emergency preparedness and response; (4) provide education; (5) enable EMRs and PHRs for clinicians and individuals; and (6) to work closely with the Governor and state legislature to help enable their goals of improving health care access and quality while reducing costs for all Texans. The Texas Healthcare Network (THN) project was granted funds to (1) upgrade hospital network connections; (2) provide a secure gateway; (3) deploy advanced health care applications; (4) provide continuing medical education; and (5) enable data sharing of EMRs and PACs among forty four rural hospitals in Texas. THINC named just over 200 health care facilities as participating in its project. Two of the State's academic medical centers, one with a nationally renowned telemedicine program, are founding members along with a Catholic health system and a consortium of rural hospitals.

THN is unable to continue to participate in the Pilot Program due to the withdrawal and resignation of its fiduciary and project coordinator. The fiduciary and project manager resigned

in part to its being a service provider. The remaining THN partners lack the necessary project management and broadband network expertise and resources to continue the project, and request *the projects be merged and that THINC be designated as its successor. THINC's founding members unanimously agree, if approved, to incorporate THN's project into theirs. Not only are many components of the two projects similar, there is one organization that is a sponsor to both initiatives. Merging the projects consolidates their efforts into one project, allows for a smooth transition and integrates THN project goals so they can be effectively achieved with the proper support and attention they deserve.*

Both projects recognize that not only are the goals of each project similar, but that by merging the projects, cost savings will be achieved, duplication of effort or services will be avoided, all participating hospitals across the state will be aligned, and resources will be better leveraged by expanding the program to include more of the 164 rural hospitals and 120 rural health clinics that operate across the state that were not named in the original application.

THINC is prepared to submit its design RFP to the FCC along with the necessary forms in order to bid its initial project activity and obtain its initial funding commitment. THINC has delayed this activity until this review is complete, as we would enlarge the RFP to include the THN facilities, assuring their inclusion and timely completion of their objectives.

### **Background**

Texas ranks second of all states in both population (almost 23 million) and size (268,581 square miles). Texas is a state of contrasts in geography, population density, and culture. Three of the nations' ten largest cities are in Texas; it is the only state with three cities with populations in excess of one million persons. Yet its rural population exceeds the combined total population of Alaska, Delaware, North Dakota, Vermont and Wyoming. More than 3 million people live in 530 small towns; in the cities, the population density exceeds 3,000 people per square mile, while many counties have a population density of less than 1 per square mile. Texas has 205 "census designated places," unincorporated concentrations of population with fewer than 1,000 residents.

Texas leads the nation in the number of people who reside in frontier communities. It ranks second in the nation in Frontier Land Area and first in Frontier population. Frontier communities, as defined by the National Rural Health Association are communities whose "location is at a great distance or travel time from the closest significant service center or market" ([www.frontierus.org](http://www.frontierus.org)). More than one third of Texans are of Hispanic origin.

Texas has some of the most acclaimed hospitals and care facilities in the nation, which are located in the urban core; yet 177 counties are designated as medically underserved areas and 112 are designated primary care health professional shortage areas. Texas has seventy four (74)

designated critical access hospitals which are hospitals with 25 or fewer beds. There are 164 rural acute care hospitals in the state.

The contrasting nature of the state—its size, its ethnic diversity, its distribution and rural and frontier areas—requires any statewide effort to be carefully coordinated. This is best achieved through one RHCPP project and not two.

#### **THN Goals and their Integration into THINC**

From the program's inception, THN and THINC both recognized that their goals were closely aligned, and in some instances, duplicative.

THN's goals are: (1) to expand broadband connectivity for rural hospitals in Texas; (2) upgrade hospital network connections; (3) provide a secure gateway; (4) deploy advanced health care applications; (5) provide continuing medical education; and (6) enable data sharing of EMRs and PACs. THN activities would impact 44 rural facilities. THN's goal of increasing bandwidth for rural facilities is critically important. They would still need connectivity to telehealth services providers. Merging the two projects enables the bandwidth and the delivery of services, further streamlining the process.

THINC's goals are: (1) to enhance broadband telecommunications connectivity for rural healthcare providers; (2) provide rural and frontier communities access to advanced medical services, resources, and other telehealth applications; (3) reduce the costs of healthcare service delivery through aggregation and resource sharing; (4) enable teleconference peer meetings; remote telemetry, monitoring, diagnostics and consults; (5) allow for secure HIPAA-compliant intranets for medical information and health records exchange; (6) provide consumer health education and outreach, information, professional training (including CME); (7) enhance community health/emergency preparedness/disaster management network components; (8); enable EMRs and PHRs for clinicians and individuals and (9) allow for rural healthcare providers access to government agencies' web tools and services.

A review of both projects' goals reveals that, with the exception of THN's goal of upgrading hospital network connections, all THN goals are also stated goals of THINC. Merging the programs will enable a more effective, coordinated approach to accomplish all the goals. THINC assures the FCC that THN's goal of upgrading hospital network connections for their facilities will take precedence. Merging the projects will enable a single planning process for the entire state of Texas. THINC also assures the FCC that the remaining two participants to the THN project will become members of THINC's founder's group with all rights and privileges of a founder.

**Facilities in common, cost savings, and furthering the projects.** It has been determined that thirty three rural hospitals are named as participants for both projects, which if followed through,

would result in these hospitals being connected to two separate networks. Merging the projects prevents this bifurcation of networks, eliminates duplication of services, and allows the project to expand the number of facilities by at least thirty three.

Both THN and THINC request that THN's maximum support amount as awarded in the 2007 RHC PP Selection Order be available to THINC so it can provide the services and connectivity as stated in THN's Pilot Program objectives, expand the number of facilities for the project across the state of Texas, and, most importantly, assure that each rural facility identified in the THN application and others have their network connections upgraded to ensure the necessary high speed bandwidth to deliver the needed health services.

### **BENEFITS OF MERGING THE PROJECTS**

#### **1. Administrative cost savings and eliminating duplication of services**

During the application process, like many applicants, THN and THINC included project management, marketing, administration and other costs as part of their project budget. The most immediate benefit of merging the projects is the elimination of the duplication of administrative costs for projects with similar goals in the same geographic area.

Merging the two projects will enhance the efficiency and effectiveness of both by: (1) reducing the costs of managing and administering two projects with similar if not identical purposes in a common geographic area; (2) preventing the duplication of services; and (3) completing the goals of both projects in a more timely and coordinated manner, assuring that in the long run there is only one network across the entire State of Texas. Additionally, Rick Perry, the Governor of Texas, expressed his desire that Texas have a single project in order to better coordinate our outcomes with those of the State's long plans for improving access to care and the quality of care to all Texans.

We guarantee that any money saved by the joint project will be put back into the pilot program. THINC will broaden the scope of the project to include more rural sites and to increase the bandwidth connection to those sites, a key objective of the THN project. As per our initial proposal, required fifteen percent match will be met by each individual facility, with additional support from the State of Texas.

#### **2. Expansion of the project to include additional facilities and strengthen disaster preparedness.**

The coalition that came together and submitted our application did not include state operated clinics and facilities. These facilities provide care to underserved and special populations in rural and urban areas and include the un and underinsured, Medicaid beneficiaries, persons with disabilities, the Texas migrant network, and mental health crises providers. It is important that our project not overlook these persons. Merging our projects provides an

opportunity to include the State of Texas and its health facilities and assure these sites are included in our network.

Within the past three years, Texas experienced two devastating hurricanes – Rita in 2005 and Ike in 2008. Katrina decimated New Orleans's health care infrastructure in our neighboring state Louisiana. Ike had a similar impact on Galveston. Merging the projects will allow more resources for strengthening our infrastructure to support disaster planning and connectivity for the next event. We know firsthand the need and value in telemedicine and of having health information accessible in an electronic format in order to care for the distressed and the displaced.

There are more than 130 public health clinics, federally qualified health centers and critical access institutions eligible for our project. Merging the projects will allow for the addition of a number of these facilities.

#### **THINC EXPERTISE**

THINC's sponsors include one of the nation's premier telemedicine programs, two academic medical centers, and at least three health care organizations that operate sophisticated multi-site networks across multiple states used by thousands of concurrent users. THINC members are experienced in network and telecommunications support and operations, education and project management. THINC members have the financial depth and made the commitment to provide support for administration and project management. A merger of the projects will result in THN's remaining participants to avail themselves of these resources in the attainment of THN goals and objectives.

THINC members have demonstrated their ability to work with USAC and the FCC, to fulfill program objectives openly and honestly through their participation in the regular rural health program.

#### **WHAT THE JOINT PROJECT WILL LOOK LIKE**

THN and THINC see the benefit in moving forward as one project. THN goals and objectives will be incorporated into the THINC planning process and RFP. THN facilities will be added to the facility list and additional facilities will be added to the project, as resources allow. The joined project will evaluate goals and objectives to assure that they are still valid and to assure their achievement. Remaining THN sponsors will be given the opportunity to become full sponsors of THINC. If they decide to do so, they will share all the rights and responsibilities of THINC sponsors.

All parties agree that the current fiduciary and legally responsible entity CHRISTUS Health, and the project coordinator and associate project coordinator will continue to fulfill these roles. These parties have worked closely with USAC, project sponsors and participating facilities and have established relationships that if changed, would delay the project's progress.

One design RFP that includes both projects' facilities will be developed and submitted for bidding, and all future activities will appear as a single activity.

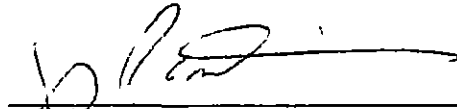
THINC's design RFP is ready to be submitted for approval. We have delayed submitting the RFP based upon a decision for this request in anticipation of expanding the RFP to include THN.

#### JOINT CONSENSUS AND SUPPORT

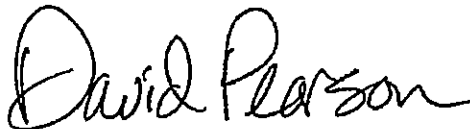
Each individual sponsoring entity from both the THN and THINC projects jointly and severably agree to merge the projects. The Governor of Texas has expressed his support for the merger. All parties are excited about the merger and look forward to a very successful Pilot Project.

Thank you for your consideration of this request. We want to assure you that our goal remains to complete the project in as efficient and timely a manner possible in order to better serve the health care needs of all Texans.

Sincerely,



George S. Conklin  
Project Coordinator  
THINC and  
Senior Vice President and CIO  
CHRISTUS Health



David Pearson  
Texas Healthcare Network sponsoring organization and  
President and CEO  
Texas Organization of Rural & Community Hospitals